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PLS POUCH COPIES SIGNIFICANT U.S. PRESS STORIES ON
PHOENIX (PHUNG HOANG) ESPECIALLY HIGH VALUE REWARDS PROGRAM.

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SECRET

Rewards Up to \$11,000 Set for Captured Vietcong

By ALVIN SIIUSTER

Special to The New York Times

SAIGON, South Vietnam, Aug. 1—The United States and South Vietnam have decided to start paying the highest cash rewards of the war—up to the equivalent of \$11,000—for each of certain key leaders of the Vietcong's political underground.

Informed sources said today that the program, to be financed by the United States, would be tried first as a pilot project in four of South Vietnam's provinces and extended to others later if successful. It is designed to stimulate interest among South Vietnamese civilians in the lagging effort against the Vietcong's clandestine organization, which remains a serious threat to the pacification program.

There is continuing concern among American and South Vietnamese officials that the

enemy's subversive apparatus will step up activities after the withdrawal of American troops, restore its hold over many rural areas and again challenge the stability of the Saigon Government.

"It is the cream of the leadership that we are now after with those high rewards," said one official.

The decision to increase the rewards reflects the difficulties of the so-called Phoenix program, called Phung Hong by the Vietnamese. The controversial program, which its critics say emphasizes assassination, is often described as one of the most important but least successful programs in Vietnam.

Authorities will now offer from one million to three million piasters, or \$3,700 to

Continued on Page 2, Column 6

Aug. 2, 1971
New York Times

Rewards Up to \$11,000 Set for Vietcong

Continued From Page 1, Col. 7

\$11,000 at the official exchange rate, to civilians who provide information leading to the capture of known leaders in the Vietcong network.

Until now, the usual limit under the Phoenix program has been 100,000 piasters, or about \$370. Higher amounts have been paid in rare cases.

As part of the pilot program in the four provinces, the military or police units capturing the Vietcong leaders will also be rewarded. Sources said they would share 200,000 piasters, or about \$750, if the leader is captured alive, but only half that if he is killed.

Election Attacks Feared

The four provinces, one in each of the military regions, are Quangnam in Region I in the north, long a troublesome area; Binh Dinh, a Communist stronghold in Region II; Bien Hoa, just north and east of Saigon in Region III, and Vinh Binh, a coastal province in the populous Mekong Delta and an area where officials fear the Communists may try to disrupt this year's legislative and presidential elections.

At this point, officials believe the Vietcong may operate on two levels during the elections for the House of Deputies next month—remaining relatively quiet in the few areas where they support sympathetic candidates and trying to disrupt the elections in other places. Sources report that instructions have gone out to Vietcong cadres to attack polling places with mortars, attempt to in-

timidate the electorate, overrun local outposts and generally work to show weaknesses in the Government's pacification programs.

In explaining the new pilot program of higher rewards, officials said the goal was quality rather than quantity. Last year in the Phoenix program 22,341 Vietcong were "neutralized"—those killed or captured and sentenced to jail or who defected. Most of them, however, were regarded as low-level operatives.

60,000 Believed in Network

Officials said some details of the new reward effort were yet to be worked out, including how much to pay for which leaders. They estimate that there are 60,000 in the network, called the Vietcong infrastructure but that the top leaders sought represent only 2 to 5 per cent of the total.

"You can be sure that if the leader carries a price of three million piasters, he's really a key man" said one official.

The Phoenix effort was conceived by the Central Intelligence Agency in 1967 but was turned over the next year to the South Vietnamese, who continue to receive vital American help in the form of advisers and money.

Recent Congressional testimony in Washington showed that American financial aid for Phoenix from 1968 until May, 1971 amounted to \$732-million. The current American contribution to the program is not known.

While American officials acknowledge that there are abuses in the program and some indis-

criminate killing, they remain convinced that it must be continued and improved if South Vietnam is to have a chance for survival after American troops leave. Officials recognize, however, that diligent police and intelligence work is required to identify and hunt down the Vietcong suspects and that many South Vietnamese lack the knowledge and the interest to make the effort always effective.

"They will go in and pacify an area with their troops and local forces and think they have put out the fire," said one American official in the delta recently. "But then they will leave it shouldering. That's the Vietcong underground and therein lies the real danger."

In defending the bounty system, officials note that money incentives have long been part of the struggle here and have had some success. The Vietcong who go over to the Government side, for example, have been paid for the weapons they bring with them, from the equivalent of about \$2 for a flare gun to \$370 for a heavy antiaircraft weapon.

Rewards have also been paid to civilians, not only for information on wanted Vietcong, but also for leading the authorities to weapons and ammunition caches. Some high Pentagon officials have called this program the "most cost-effective effort we have."

The names of the wanted Vietcong leaders and when possible their pictures are posted in villages and hamlets, much like the Federal Bureau of Investigation's posters in American post offices.